

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
JUNE 25, 2015.**

The meeting of the San Bernardino County Airports Commission was called to order at 10:00 a.m. by Commissioner Mark Taylor. Meeting location: Barstow-Daggett Airport: 39500 National Trails Hwy Daggett, Ca 92327

Commission Members Present:

Mark Taylor
Jim Bagley
Bob Cable
William Smith
Ray Marquez
Larry Asmus

Commission Members Absent:

Roy Cox

Staff Present:

James E. Jenkins, Director of Airports
Terry Stover, Asst. Director of Airports
Nicole Leyden, Secretary I
Jeff Laass & Steve Mintle
Carrie Hyke
Bob Velker

Department of Airports
Department of Airports
Department of Airports
Real Estate Services
Special Districts
Department of Airports

Visitors Present:

Ron Hamm Jr.
Steve Flock
Donald Flock

Daggett Aviation
Twentynine Palms Airport Tenant
Twentynine Palms Airport Tenant

Pledge of Allegiance:

Led by Bob Velker.

Report on Posting of Agenda:

James E. Jenkins stated that the agenda had been posted.

Awards, Guest Introductions and Announcements:

Guests introduced themselves.

Action Item - Approval of Commission Meeting Minutes

A motion was carried by Commissioner Asmus, seconded by Commissioner Smith and passed to approve the commission meeting minutes from May 28, 2015.

Action Item – Consideration of Recommendation to the Board of Supervisors to Approve and Adopt the Apple Valley Airport Master Plan and Airport Layout Plan

A motion was carried by Commissioner Marquez, seconded by Commissioner Cable and passed to recommend the Apple Valley Airport Master Plan and Airport Layout Plan to the Board of Supervisors for adoption.

Carrie Hyke shared that the Master Plan and Layout Plan were complete. All that was needed was the approval from the Town of Apple Valley and their Land Use Commission.

She stated that we are looking for an action from the commission to recommend this plan to the Board of Supervisors. Mr. Jenkins shared that he had researched that in the past the commissioners formulated a recommendation that was signed by them for the adoption of the plan and was forwarded to the board.

Mr. Jenkins stated that we represented to the County Administrative office that we would conclude this process for Chino at the end of November. We could take this plan for Apple Valley to the board before then or at the same time, so the commissioners have plenty of time to review it.

In the fall we will be taking a look at the federal Capital Improvement Projects for Apple Valley Airport. We get an ALP update with each federally funded project, which we ask the engineer for and forward to the FAA for adoption.

Mr. Jenkins was asked if we had heard anymore from the Town of Apple Valley and their desire to take over Apple Valley Airport. Mr. Jenkins said that we had not heard from them since last spring. He then explained how the money for Apple Valley Airport is protected and cannot be taken away from CSA 60 unless state laws are changed.

Mr. Jenkins was asked about the property in the runway improvement zone at Apple Valley Airport. He stated that we've looked at a three acre property to possibly invest some dollars in. We've begun a plan to start acquiring more properties around the airport and acquire the drainage basin. How much more property we acquire and improvements we make depends on the aviation demand. We are considering doing a phase replacement of existing hangars at Apple Valley. For security we have access control and a perimeter fence. In our five year plan we will replace it with an eight foot fence. Another project we have planned is to install obstruction lighting for the cross-wind runway. The FAA can't find any correspondence directing us to take the cross-wind runway out of service for nighttime operations. We are now working with a consultant to perhaps put that runway back in operation without obstruction lighting.

Commissioner Asmus asked Mr. Jenkins if we could profit from interest on the 6 million dollars that is in the bank for Apple Valley Airport. He responded saying that our department doesn't have control of those funds. He then asked about submitting beneficial suggestions to the county, which Mr. Jenkins agreed that he may. Mr. Jenkins also explained that we have to be careful regarding non-aviation investment. Everything on the layout plan is subject to grant assurance. We could buy property outside the fence and invest in something non-aviation, but we let the market drive us. If we put a plan on the books then we have to back it with money, so we will only do so with plans that we will be able to move forward on in a five year span. We then update the plan annually.

Commissioners Reports/Comments:

Commissioner Cable, Marquez and Taylor apologized for not attending the last commission meeting.

Public Comments:

There were no public comments.

Information Item: APV Community Interest Report – Mama Carpino's Restaurant, presented by Tom Carpino, Sr.

Postponed until September's Commission Meeting.

Information Item: High Desert Events Center

Bob Velker shared that he has been looking for attractions for the aviation community to visit in the city surrounding the airport and also for non-aviators to come to the airport. He stated that the community is looking for an event center. He would like to suggest the idea of having a facility on the airport to accommodate large groups and possibly having a courtesy car. He also recommended having a social media approach with a list of things to see in the surrounding city including a bed and breakfast.

Director's Reports

Capital Improvement Program

Mr. Jenkins pointed out that we are moving forward on the Grant Program for Apple Valley and Needles Airport which are the ALP updates and pavement projects at Chino Airport.

He also explained that we are currently dealing with how our projects are going to be managed. The county's Architecture and Engineering Department is going through restructuring because their director will be retiring in December. The county is trying to determine what the function of that department will be because it is a division of Real Estate Services. They are planning to be a project management entity. Since our projects are civil engineering projects, after several discussions it was suggested that Public Works will manage our pavement project. There will be more discussions to come to figure out the details and if it will survive a federal audit.

Mr. Jenkins provided information about how in the next few weeks we will be accepting bids for the Chino Pavement Project and the process we had to go through to do so. We had to have a county administrator sign a document to allow the federal side to aggregate our entitlement dollars for a project at Chino Airport. In the past we've executed the document internally, but County Counsel doesn't recognize this and believes it should have been done at the board level or at the CEO level. We figured out a way to get it to the CEO signature level and that's how we got the entitlement transfer from various airports in our system to fund a project at Chino Airport. Since the FAA has stipulated that it is a high priority but they won't fund it this cycle we'll do it through our entitlement bank. The internal processes on the capital side is something that we want to work into this process so that when we face the signature deadlines our process gives us the flexibility to have authorization to pre-execute some of these required documents. The FAA expected us to turn around that document last week. If it had to go to the board then it would have to have been a special board process or meet the 5 week in advance cycle that the county has in place for us in order to get an item before the board for consideration. Our goal in meeting with the capital team is to get our process streamlined to a point that they fully understand that our capital investments are not county dollars. They are airport dollars, which we don't want to budget. We want to have a project ready so that when we get funding for it we can move forward on it right away in a streamlined process with local signatures pre-advanced authorization through our annual grant summary notification to the county administrative office which tells them the projects which we might be bringing in the near future if there is federal or state funding available. The county is not set up at this point to respond to those needs.

Mr. Jenkins was asked about the realignment of the road to Apple Valley Airport and if that was a Capital Improvement Project. Mr. Jenkins responded that he didn't believe that it was a wise investment for the CSA 60 funds.

Board of Supervisors Activity

No activity this reporting period.

Real Estate

Steve Mintle shared that we have 4 S.O.P.'s. Two of them have already commenced. One is for the Nichol's hangar numbers 495, 497, 555, and 560 at the Chino Airport. We got the facility back last month from Cal Aero, in which we commenced the S.O.P. yesterday. One is by the gate which is a warehouse, A-220, that was vacated. That one will commence on the beginning of next week.. Hangar B-297 is currently occupied, but we are trying to evict the tenant. We are going to go ahead and commence with that S.O.P. Also we are periodically meeting with people who have showed interest in filming at the airport.

Jeff Laas shared that the Verizon lease has been completed and the rent will be around \$2,200 a month.

Mr. Jenkins was asked about the person who wanted to build a hangar at Twentynine Palms Airport. He said that we have given the person all the information to move forward. Mr. Jenkins shared that an additional individual contacted us regarding putting a structure in place as well. After some thought we decided that the entitlement entity would be the county. We intend to set out a process for the county to engage us for answers and we will hopefully give them the answers that will allow the process to move forward.

Financial Report

Mr. Jenkins informed us that we are done with the year and we are doing well. On the expense side we are at 73 percent of our anticipated budget and on the revenue side we are at 112 percent of revenues that we are expected to see. We expect to be balanced because we control what we spend throughout the year. We monitor the revenues and if they aren't there then we cut-back on expenses. We do although, have mandated expenses a lot of which occur at the beginning of the year. This upcoming year and this past year will be a little different. This upcoming year will be our final year for paying on the bond at the commercial hangar complex at Chino Airport. We anticipated that we would have defeased that bond this year, but due to legal entanglements we had to make some other expenditures on it. We paid about \$350,000 on the final bond payment. We could have paid off the bond but that would have left us without a reserve. We asked that the CEO allow us to be able to break it into 2 parts so that we can continue to have a reserve. We are now putting back into our reserves about \$450,000. We can continue to fund the plume process and be able to fund any other contingencies. In the current budget cycle we are increasing the operational expense line for the commercial hangar complex by \$100,000 in anticipation that we are going to have some failures of systems based on 100 percent occupancy of that facility. There are about 72 air conditioning units and we have 4 air compressors that operate that facility. We have the high voltage electrical system in which all infrastructure belongs to us. With 100 percent occupancy we expect that the facility will see some strain and failures, so we are going to invest in some improvements and replacements throughout the year.

Mr. Jenkins informed us that by the end of July we anticipate the final sign-off on the settlement with Threshold Technologies. We continue the improvements including some capital projects with their facilities.

Mr. Jenkins explained that we take our anticipated revenues and we budget based on 85 percent of that. Our anticipated revenue this cycle will be about 4 million dollars. We have several deferred capital projects in which we hope to be able to move forward on a few of them and next year even more of them.

Mr. Jenkins pointed out something that we are concerned about in the upcoming year is COWCAP formula, which is county and federal charges. Supervisor Rutherford asked at the last board meeting for an explanation of what those charges are. Our COWCAP charges were

half a million dollars. They are \$521, 000 this cycle and \$721, 000 next year. We don't have control of those charges. It is a county formula of internal charges and other services that departments receive.

Monthly Report

Mr. Stover shared that he had a meeting with the US Army regarding a large exercise they are planning at Barstow-Daggett Airport. He stated that it has been difficult regarding the paperwork. County Counsel is scrutinizing the land use agreement and the dollar amounts and it had to be taken to the board as well. Also, he's gone back and forth with the Army with multiple changes. The exercise is due to start this July 12th. They will start bringing in some tent-cities and at the end of the month there will be flying activity. At the beginning of August they will be tearing things down and moving them out. We will close the airport for 3 days. Daggett Aviation should have been contacted by them as the Army will be compensating them for being closed on those days. Mr. Stover composed a letter to be sent out to the Daggett tenants, the City of Barstow, the army heliport, and Barstow Police Department making them aware that this large exercise is planned.

Mr. Stover was asked about the golf cart incident at Apple Valley Airport. He explained that one of the guards from Allied Barton ran a golf cart into a bollard by the gate. The guard sustained minor injuries and was taken to the hospital to be checked out. Risk Management is dealing with Allied Barton's insurance on getting the golf cart replaced.

Chino Airport Operations

Mr. Jenkins stated that June is typically a depressed month. We are on an uptick cycle right now. There is nothing that we can point to relative to operations. We have two flight schools at Chino. One is Dubois Aviation, whose operations are solid. We have a secondary one who is doing some flying, which may be a contributing factor. We'll know better at the end of the summer to see if this is contributed by the secondary flight school or not. There's also quite a bit of training activity and utilizing of Chino as a transitional point. There is no correlation in fuel flow, though.

Date, Time and Place of Next Meeting

The next meeting will be held on Thursday, August 27, 2015 at 10:00 a.m. at Department of Airports, 777 E. Rialto Avenue, San Bernardino, Ca 92415

Adjournment: Meeting adjourned by Commissioner Taylor at 11:14 AM.

Respectfully submitted,




Mark Taylor

Airports Commission Chair



James E. Jenkins, Director
Department of Airports



Nicole Leyden, Secretary I
Department of Airports